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**TESTIMONY OF REP. SHARON ANGLIN TREAT**

**Sponsor, LD 1006, "An Act To Clarify Transparency of Medical Provider Profiling Programs Used by Insurance Companies and Other Providers of Health Insurance"**

**March 28, 2013  
Insurance & Financial Services Committee**

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Senator Gratwick and colleagues on the Insurance & Financial Services Committee, I am Sharon Treat and I represent House District 79, Farmingdale, Hallowell & West Gardiner. I am here today to present LD 1006, "An Act To Clarify Transparency of Medical Provider Profiling Programs Used by Insurance Companies and Other Providers of Health Insurance."

"Transparency" seems to be a watchword of this session, and it is a current issue in the context of hospitals and medical providers in two major ways. First, consumers and policymakers want and need to know how hospitals and medical providers price their services, what infection rates are and other factors affecting cost, quality and efficiency. On the other hand, hospitals and medical providers want to know what factors are used to evaluate or "Tier" them on these same grounds of cost, quality and efficiency.

It seems that right now, there is imperfect transparency in both of these areas. On the one hand, understanding hospital pricing is difficult and public access to data on cost and quality is hard to get. On the other hand, hospitals and medical providers say they lack adequate information to understand how they are being evaluated by insurance carriers, employers and the State of Maine. This rating and tiering by insurers and others affects reimbursement, reputation and customer base.

I know there are other bills that will come before this committee to address the first issue of medical transparency, so I won't dwell on that, except to say that in my mind, the issues are linked; they are but two sides of the same coin. I am here today to address the second issue, which LD 1006 does by amending our current law to be more specific. This bill was drafted by the Maine Hospital Association and it reflects their vision. I support the general

goal of the bill, which is to make sure that those who are rated know the basis for that rating, and are in a position to make improvements in cost, quality and efficiency as a result, or to correct mistakes that may have been made by those doing the evaluating or tiering. Some details of the bill, particularly the financial data requested by Section 3.E(1), may not be practical unless the hospitals agree to a much greater level of pricing and cost transparency than currently exists.

I know that you will be hearing detailed testimony from the supporters of this bill, so I will leave it to them to get into the specifics of the data they wish to see, and the practicalities of implementing this bill. I look forward to working with the committee, and with medical providers, insurers, and employers to carry out the goals of this bill. Thank you.